

GRANTS TO PARISHES FROM PROCEEDS OF SALES OF BENEFICE, DBF AND GLEBE PROPERTIES

GUIDELINES

1. For many years, diocesan policy has been to ensure that all net surplus capital from sale proceeds should be invested for the benefit of the diocese as a whole, whether the proceeds have come from the sale of glebe, benefice houses or redundant properties. In practice the income has been used to pay stipends, thereby reducing the call on parish share, which otherwise would have had to rise at a much higher rate than it has. In any case property, and more particularly land, may acquire a value bearing no relationship whatever either to similar holdings in other parishes or to relative needs. It is only right that such sales should benefit all in the diocese rather than the parishes in which they may happen to arise. Indeed any major departure from this principle would be contrary to the general interest and to the intention of legislation which has sought to remove gross disparities between benefices.
2. Nevertheless, strong feelings have often been aroused by these sales, particularly where the property was once owned by the benefice, but properly transferred by Measures over the last forty years to diocesan ownership or control. It has been represented that the parish concerned should share in the proceeds. These feelings are understandable, especially where the parish is involved in a major project which requires the raising of a substantial capital sum. The DBF has therefore sought a way of helping parishes in this situation within the narrow limits imposed by the general principle set out above, which must clearly be maintained.
3. Against this background, it has been decided that the parish directly concerned in any sale proceeds of the sort mentioned above may make an application to share in the proceeds provided that certain conditions are fulfilled, as follows:
 - (a) The property sold must be one that belonged to the benefice, or came into the ownership of the DBF as the result of a change of legislation (eg the Endowment and Glebe Measure) or because it was declared redundant by a pastoral scheme. A property which came directly into the ownership of the DBF (as distinct from a benefice) by purchase or gift is specifically excluded.AND EITHER
 - (b) As result of the sale, a PCC loses facilities previously available, which it finds it necessary to undertake capital expenditure to replace

OR

(c) Alternatively, a PCC faces major repairs to the fabric of the church, or is undertaking other specific capital works to further the parochial mission.

4. Any grant made will be determined by the net amount of capital which accrues to the diocese as a result of a sale, rather than the gross amount. Thus where one house is sold and part of the proceeds are used to purchase another house, the net capital is that which is left after all costs and related expenditure have been met. This may be quite small compared with the gross proceeds. No grant may exceed 5% of the net capital or £25,000 whichever is the smaller. In order to protect the capital sum accruing to the diocese, no grant will be paid before the first anniversary of the sale, to allow investment income to be generated first. It will be paid from the Pastoral Fund.

5. Applications on the enclosed form should be made to the Diocesan Secretary. Each case will be considered on its merits by a small panel consisting of the chair of the Finance Committee, the vice-chair and the archdeacons. Each applicant will be told how much the parish will receive and the approximate date on which the grant will be paid.

**APPLICATION TO SHARE IN THE PROCEEDS
OF SALE OF LAND AND PROPERTY**

1. **Name of parish:**

2. **Detail of property sold:**

3. **Reasons for requiring a grant**
(details of the project and its approximate cost should be set out succinctly)

4. **Amount of grant requested**
(which should not exceed £25,000 or 5% of the net proceeds of sale, whichever is lower)

Signature

on behalf of PCC

Date

Notes for office use

5. Net amount of capital acquired
6. Expected investment income per annum
7. Date of sale
8. Date of investment
9. Amount of grant authorised
10. Date on which to be paid

Notification for parish

Your application for a grant of £ has been considered by representatives of the
DBF. You have been awarded a grant of £ which will be payable from
investment income on or after

Date

Diocesan Secretary